



2011 Medical Plan Election Period

(for non-Medicare retirees)
Oct. 21 – Nov. 19, 2010



An important benefit change
beginning Jan. 1, 2011

As part of the Patient Protection and Affordable Care Act (healthcare reform), a child can be covered under your medical plan up to age 26. To be eligible for coverage beginning Jan. 1, 2011, the child must be:

- your natural, step, foster, adopted or legal guardianship/legal custody child and
- be less than 26 years old.

There are no other eligibility requirements.

To add a child to your medical coverage, you will need to enter the requested information on the Retiree Medical Plan Election Form 2011 that will be included in the Medical Plan 2011 booklet that will be mailed to your home. Enrollment has been extended this year specifically because of this change.

TVA non-Medicare retirees can select their medical plan for 2011 from Oct. 21 – Nov. 19.

The choice will be in effect throughout calendar year 2011. You must be enrolled in a TVA medical plan to participate in the election period. And, if you have individual coverage now, you may only elect family coverage now if you are adding a child that was previously ineligible for coverage.

The following changes will be effective Jan. 1, 2011.

Children can be covered to age 26 under the TVA Medical Plan. See previous page for more information.

There will be four more enhancements to each of the medical plan options.

1 Children under age 19 no longer have to provide proof of previous health coverage in order to eliminate a waiting period for pre-existing conditions. If you have a child under age 19 who is still in a pre-existing condition waiting period on Jan. 1, 2011, the child's waiting period will automatically end at midnight Dec. 31, 2010. This change is part of the Patient Protection and Affordable Care Act.

2 The number of routine checkups paid at 100 percent for children up to age 6 will increase. The new schedule is:

Birth to age 1 - five exams (in addition to the physician exam in the hospital)

Age 1 up to 2 - three exams

Age 2 up to 3 - two exams

Age 3 up to 6 - one exam per year

3 There will no longer be a limit (or maximum) as to the amount paid by the medical plan for the following major organ transplant procedures: heart, heart and lung, liver, pancreas, lung (single or double), small bowel, small bowel/liver. This change is part of the Patient Protection and Affordable Care Act.

4 Inpatient and outpatient mental health and substance abuse services will be covered the same as other conditions. There will no longer be any day or visit limits.

Another medical plan enhancement became effective in 2010 to cover flu shots — seasonal and H1N1 (swine flu) — at 100 percent. This change was retroactive to Jan. 1, 2010. The shots will be paid in full regardless of whether or not you have used all of your \$500 preventive care benefit.

The Health Savings Account will have two changes.

1 Over-the-counter medication, unless prescribed by a doctor, will no longer be reimbursable from a Health Savings Account. This change is part of the Patient Protection and Affordable Care Act.

2 The tax penalty for withdrawing money from a Health Savings Account for non-qualified medical expenses will increase from 10 percent to 20 percent. This change is part of the Patient Protection and Affordable Care Act.

MEDICAL PLAN OPTIONS FOR 2011

Your medical-plan choices for 2011 are: Copayment Plan, 80 Percent Co-insurance Plan or Consumer-Directed Health Plan.

The 2011 monthly premiums shown in the chart are the total premiums and do not reflect any pension supplement or contribution you may receive to help offset the cost of your medical coverage.

If your medical coverage payment is deducted from your monthly pension benefit, you will see a change in the deduction amount on the check you receive at the end of December 2010. This is the deduction for January 2011 coverage.

2011 MEDICAL PLAN PREMIUMS		FOR COMPARISON PURPOSES
Medical Plan Options	2011 Monthly Premium	2010 Monthly Premium
Copayment Plan		
Individual	\$768	\$833
Family	\$1,842	\$1,581
80 Percent Co-insurance Plan		
Individual	\$499	\$561
Family	\$1,197	\$1,028
Consumer-Directed Health Plan		
Individual	\$261	\$276
Family	\$627	\$527

SAVE THE DATE!

NOW — Review your personal situation and benefit needs for 2011. Find information on <http://www.tvaretirees.com> by clicking on Health Care Benefits.

WEEK OF OCT. 11 — Try out different scenarios using the Health Plan Comparison Tool available at <http://www.bcbst.com>.

Read the Medical Plan 2011 booklet mailed to retirees' homes.

OCT. 21 — NOV. 19 — Medical Plan Election Period for 2011 — Decide which medical plan you want for 2011.

NOV. 22 — Deadline for the TVA Service Center to receive your election form.

Don't make the mistake of doing nothing ...

- If you have coverage now and don't submit an election form during the election period, you will be automatically enrolled in the same medical plan with the same level of coverage — individual or family — you had in 2010.
- If you, your spouse or an eligible dependent becomes eligible for Medicare before age 65, you must notify the TVA Service Center.
- If you are enrolled in the Consumer-Directed Health Plan medical option for 2011 and do NOT currently have a Health Savings Account with HSA Bank, you must open a Health Savings Account in order to receive TVA's Health Savings Account contribution. Look for information that will be included with your Medical Plan 2011 booklet to learn how to enroll in the Health Savings Account.
- If you have not received your Medical Plan 2011 booklet by Friday, Oct. 22, call the TVA Service Center to request another booklet. The booklet also will be available on www.tvaretirees.com.

Elect your medical plan Oct. 21 - Nov. 19 by returning your election form.

The TVA Service Center must receive your election form by Nov. 22. You cannot change your medical-plan election after Jan. 1, 2011. If you cancel your TVA medical coverage, you will not be allowed to enroll in a TVA medical plan in the future.

2011 COMPARISON OF MEDICAL BENEFIT PLANS

Benefits	Copayment Plan		80 Percent Co-insurance Plan		Consumer-Directed Health Plan	
Health Savings Account	—		—		TVA Contribution: \$600 Individual/\$1,200 Family	
Health Savings Account Maximum Contribution (all sources)	—		—		\$3,050 Individual/\$6,150 Family No Rollover Limits	
Health Savings Account Administration Fee	—		—		\$1.75/month automatically deducted from your HSA if account balance is under \$3,000 \$0 fee if balance is \$3,000 or over	
Annual Deductible In-network and out-of-network expenses are combined	None		\$300 Individual/\$600 Family		In-Network: \$1,200 Individual contract \$2,400 Family contract Out-of-Network: \$2,000 Individual contract \$4,000 Family contract	
	In-Network	Out-of-Network*	In-Network	Out-of-Network*	In-Network	Out-of-Network*
Office Visit	\$25 copayment	70% Plan pays 30% You pay	80% Plan pays 20% You pay	70% Plan pays 30% You pay	80% Plan pays 20% You pay	60% Plan pays 40% You pay
Emergency Room Visit	\$100 copayment	70% Plan pays 30% You pay	80% Plan pays 20% You pay	70% Plan pays 30% You pay	80% Plan pays 20% You pay	60% Plan pays 40% You pay
Inpatient Service	\$500 copayment	70% Plan pays 30% You pay	80% Plan pays 20% You pay	70% Plan pays 30% You pay	80% Plan pays 20% You pay	60% Plan pays 40% You pay
Outpatient Service	\$200 copayment (surgery)	70% Plan pays 30% You pay	80% Plan pays 20% You pay	70% Plan pays 30% You pay	80% Plan pays 20% You pay	60% Plan pays 40% You pay
Out-of-Pocket Maximum In-network and out-of-network expenses are combined	\$1,500 Individual \$3,000 Family	\$3,000 Individual \$6,000 Family	\$2,500 Individual \$5,000 Family	\$5,000 Individual \$10,000 Family	\$4,500 Individual \$9,000 Family	\$9,000 Individual \$18,000 Family
Preventive Care Benefit	\$500 annual allowance, not subject to deductible, copayment or co-insurance		\$500 annual allowance, not subject to deductible, copayment or co-insurance		\$500 annual allowance, not subject to deductible, copayment or co-insurance	
Flu Shots (Seasonal and H1N1)	Covered 100 percent		Covered 100 percent		Covered 100 percent	
Mental Health/Substance Abuse Inpatient/Outpatient	Covered the same as other medical conditions		Covered the same as other medical conditions		Covered the same as other medical conditions	
Covered Prescription Drugs (Administered through Medco Health) Generic	\$10 copayment		\$10 copayment		Covered 80 percent after deductible. Minimum of \$10 to be paid by patient; maximum of \$100 to be paid by patient	
Preferred Brand	\$24 copayment		\$28 copayment		Covered 80 percent after deductible. Minimum of \$24 to be paid by patient; maximum of \$100 to be paid by patient	
Non-Preferred Brand	\$39 copayment		\$43 copayment		Covered 80 percent after deductible. Minimum of \$39 to be paid by patient; maximum of \$100 to be paid by patient	
Mail-Order Pharmacy	2x retail copayment for up to a 90-day supply		2x retail copayment for up to a 90-day supply		2x retail minimums and maximums for up to a 90-day supply	
Vision Care (in network)	\$10 copayment exam every 12 months		\$10 copayment exam every 12 months		NOT AVAILABLE	
Lenses	\$10 copayment every 12 months		\$10 copayment every 12 months		NOT AVAILABLE	
Frames (every 2 years)	\$10 copayment up to \$100, then 80 percent of amount over \$100		\$10 copayment up to \$100, then 80 percent of amount over \$100		NOT AVAILABLE	
Contacts	\$10 up to \$115 allowance per year		\$10 up to \$115 allowance per year		NOT AVAILABLE	

This is a summary of benefits and explains the plans in general terms. For more information on the plan documents, call the TVA Service Center.

* Payments are based on allowable fees for covered services as determined by BlueCross BlueShield of Tennessee. When out-of-network providers are used, you may also be responsible for paying any amount charged beyond the allowable fee.

To Know More:

Comparison charts also are available at <http://www.bcbst.com>. Click on Self Service, Members, TVA employees, then Plan Details. You also can find answers to frequently asked questions by clicking on "How Do I..."

Health Savings Account

A Health Savings Account is available to participants in the Consumer-Directed Health Plan. For 2011, TVA will make a contribution of \$600 for individual coverage or \$1,200 for family coverage to the HSA for Consumer-Directed Health Plan members with a Health Savings Account with HSA Bank.

There are two options available for you to enroll in the Health Savings Account.

1. You can open your Health Savings Account by going to <https://secure.hsabank.com/tvaenroll> and completing the Online Enrollment process.

2. Included with your medical plan election packet you will find an HSA Bank Application Form to complete. Once you have completed this form, you can mail it to the address on the front page of the form, or fax it to HSA Bank at 877-851-7041.

In late December, new accountholders will receive a welcome kit. Within five to 10 days after receiving the welcome kit, an HSA Bank VISA debit card will arrive.

If you currently have a Health Savings Account with HSA Bank, you will **not** need to take any action.

ENROLLMENT PLANNING RESOURCES

What do you need?	Where to get assistance	How to reach them
General benefits and enrollment information	TVA Service Center	1-888-275-8094 865-632-8800 Knoxville 423-751-8800 Chattanooga 1-800-848-0298 (TDD/TTY-TN Relay Service)
Benefit-plan details and enrollment information	Retiree Web site	www.tvaretirees.com
Health Plan Comparison Tool Medical Plan Information or Claims History	BlueCross BlueShield of Tennessee	1-800-245-7942 www.bcbst.com
Prescription-drug information My Rx Choices Tool or Claims History	Medco Health	1-800-818-0890 www.medcohealth.com
Vision-care information	Davis Vision	1-800-999-5431 (if a member) 1-877-923-2847 (if not a member) www.davisvision.com if not registered enter control code 7396 (if Copayment or 80 Percent Co-insurance Plan member) or 7397 (if Consumer-Directed Health Plan member)
Supplement to Medicare Plan Prescription-drug questions	Medco Health	1-800-592-4520 (Supplement to Medicare plan members only)
Health Savings Account details and enrollment information	HSA Bank	1-800-357-6246 www.hsabank.com/tva

SPECIAL SECTION FOR MEDICARE-ELIGIBLE RETIREES

When you become eligible for Medicare

TVA provides a Supplement to Medicare plan. When you or a covered dependent becomes eligible for Medicare at age 65, your medical plan coverage will automatically be transferred to TVA's Supplement to Medicare plan. Any dependent(s) not eligible for Medicare will stay in the plan you select for next year.

You must notify the TVA Service Center if you or one of your covered dependents becomes eligible for Medicare before age 65 so your enrollment and premiums can be adjusted correctly.

Changes to the TVA Supplement to Medicare plan

There will be changes to the prescription drug coverage in the Supplement to Medicare plan beginning Jan. 1, 2011. Watch for information to be mailed to you in early November. Be sure to read the information to learn about changes for next year.

Are you already a member of the TVA Supplement to Medicare plan?

If so, here is additional important information:

- Medicare Part D (prescription drug) coverage will still be provided through TVA's Supplement to Medicare plan in 2011. Members do not need to enroll in another Medicare Part D plan when these plans begin enrollment in November for 2011.
- If you want to continue your Supplement to Medicare coverage in 2011, you do not have to take any action. Your coverage will automatically continue in 2011.
- If you decide to cancel your Supplement to Medicare coverage, you will be canceling both the medical and prescription-drug portions of the plan. Coverage for all dependents will be canceled also. Once coverage is canceled, you (or dependent) will not have another opportunity to enroll in a TVA-sponsored retiree medical plan.
- There may be changes in medications covered for 2011. If you are currently enrolled in the Supplement to Medicare plan, you will receive an information package in November from Medco Health outlining the changes for 2011. If you have questions about coverage for a specific drug, call Medco at 1-800-592-4520.

TVA's Supplement to Medicare Plan 2011 premiums

Your monthly premium for your Medicare Supplement Plan includes the Medicare Part D prescription benefit, as well as medical coverage. You will receive a letter in a few weeks from TVA with your 2011 Medicare Supplement premium.

